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20 January 1976.

MEMORANDUM FOR: Chief, Review Staff

SUBJECT

: HSC Draft Final Report,

Pages 207-338

Herewith are the DDI comments on pages 207-338 of subject report, again confined only to matters of fact or security.

Page 232

The first two lines in the footnote seem to be garbled. I presume it should read as follows: "... because Defense expenditures for intelligence amount to about 5% of the DoD budget but over 80% of the total Intelligence Community budget, ..."

I will not comment on Section C because I know DDO will have a few words to say about that. However, I would like to comment on page 251, the last sentence. I don't know if we, in fact, indicated such agreement, and I rather doubt it. Thus, I would hope the sentence comes out, but if it stays in, it should also have language indicating that nevertheless we are not in agreement with the judgments and conclusions drawn from this report.

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Fages 299-300	

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Page 302, 2nd paragraph

It is just plain wrong to say that the Agency affiliations of people detailed to the NSC and/or the White House are unknown to the people with whom they work. It is equally wrong to say their identification is unknown to members of interagency panels on which they sit.

In regard to footnote 504 on this page, I have spoken with and he is misrepresented in this footnote. What he told the Committee was that he did not announce his CIA affiliation to the ICRC, but he made no effort to deny or hide it and, in fact, assumed that it was well-known to other members of the Committee.

Page 332

The second paragraph misstates the situation. It is just not true that CIA analysts charged with the responsibility for evaluating information regarding compliance have been denied access to the information they need to do their job. Miss Sheketoff admitted to me that her interviews of some 30 analysts made that quite clear.

Page 334

It is not true that the Deputy Director for Intelligence would "in consultation with the NSC Staff, place an item on hold". The process by which items are placed in hold has been adequately described to the House Select Committee, and it does not involve consultation with the NSC Staff other than to inform them that such a decision has been made.

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The report says that one of the reasons for hold items is the "fear of leaks by intelligence officials seeking to influence SALT policy". This is not consistent with the information we provided to the Committee and perhaps could be corrected by deletion of the word intelligence.

Page 335

Last sentence of the text: the charge that dissemination within CIA has been haphazard and uncontrolled is not valid. The best evidence to dispute the charge is in footnote 589 which acknowledged that CIA was able to identify 75 people who had access to the information contained in a hold item.

Second Page Numbered 335

The text on this page is all wet. The NSC Staff does not determine the timing or content of Intelligence Community publications. Nor is it correct that working-level analysts have been "... cut off from information for periods of time ranging from days to six months." In each instance it was the working-level analyst who uncovered the information leading to the declaration of a hold item.

Page 337

In the first foo	tnote the House S	Staff should find	d some othe
way to characteriz	e the documenta	ry evidence' p	articularly
when referring to			ſ
	PAUL V.	WALSH	
	Associate Dep	uty Director	
	for Intelli	gence	

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